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November 5, 1973

Record U.S. Farm Shipments to Mideast

World Fishmeal Supplies

Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

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Unloading U.S. wheat in Alexandria, Egypt. U.S. shipments of wheat to the Arab nations reached 645,000 metric tons during July-September of this year. See article, this page.

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U.S. Sales of Farm Products To the Mideast Continue Upward

By JOHN B. PARKER
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SALES OF U.S. FARM products to the Mideast reached a record $412.7 million in fiscal 1973, compared with $207.2 million in 1970 and $323.4 million in 1964. The 1964 figure included a large shipment of wheat to Egypt under Public Law 480.

The United States now is the No. 1 supplier of agricultural commodities to the Mideast, moving ahead of Australia this year. Australia, which held first place during the last few years, is now No. 2, followed by the European Community and Canada.

Of the 1973 total, $187.9 million went to Arab nations, with $179.6 million on commercial terms and $11.4 million under Government programs not including shipments through UNRWA.[1] In the same period, U.S. sales to Israel totaled $144.9 million including $50 million financed through U.S. Government programs. Israel was the leading Mideast market for U.S. products, taking almost as much as all the Arab countries combined. Iran, in fiscal 1973, took $79.7 million of U.S. farm exports—$71.9 million on commercial terms.

During FY 1974, U.S. agricultural exports to these markets could reach $600 million if shipments continue anywhere near the brisk pace achieved during July-September 1973. The large July-September shipments resulted from smaller harvests in some countries and difficulties in obtaining wheat and rice from other suppliers.

Some of the shipments during that 3-month period which caused U.S. agricultural exports to Mideast markets to soar to record monthly values were wheat to Egypt, Syria, Iraq, Iran, and Israel; wheat flour and corn to Egypt; and rice and processed foods to the Arabian Peninsula. U.S. shipments of wheat to the Arab nations totaled 645,000 metric tons during the July-September period—five and a half times greater than the same period of 1972.

[1] United Nations Relief and Works Agency.

The Mideast is as large a market for U.S. grains as either the People's Republic of China or India.

Before the 1967 war, U.S. exports to Mideast countries under P.L. 480 usually exceeded $150 million annually, mostly because of large deliveries of wheat, vegetable oils, tallow, and tobacco to Egypt. Exports of U.S. farm products through Government programs to Mideast Arab countries dropped from $180.8 million in fiscal 1964 to about $4 million in 1968 and totaled $11.4 million in FY 1973. Lebanon, Jordan, Sudan, Yemen (Sana), and the Gaza Strip received most P.L. 480 shipments in 1973.

Egypt became an $83-million cash

An Iraqi farmer poses with a new rice variety he hopes will help meet big grain needs.

UNITED STATES DEPARTMENT OF AGRICULTURE
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E R R A T U M

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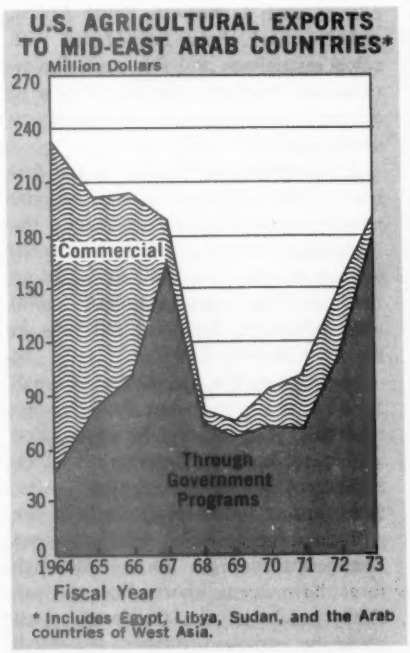
Page 3: On all three charts the solid gray portion should be labeled "Commercial" and the wavy-line portion should be labeled "Through Government Programs."

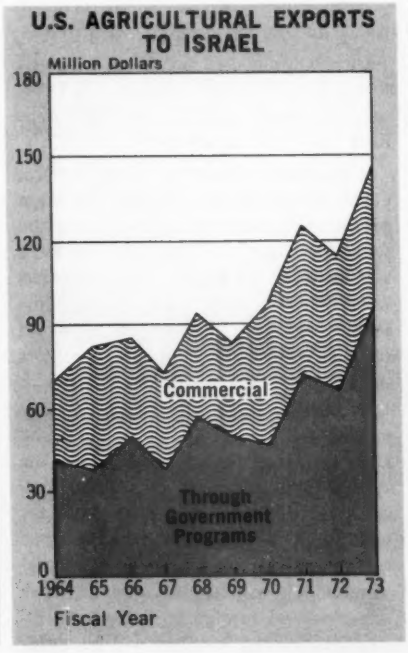
Farmers collecting grain at harvest time near Nablus in Jordan.

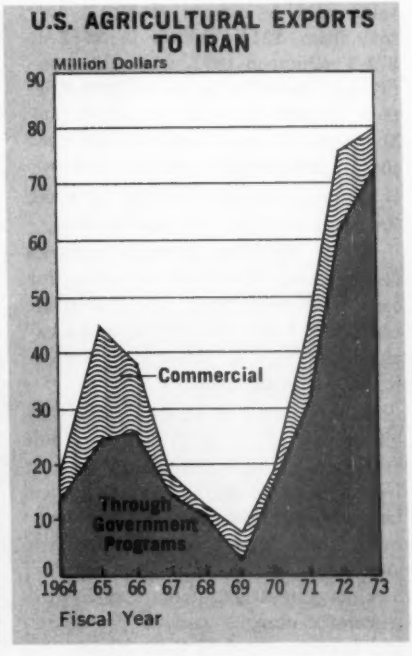
market for U.S. farm commodities in fiscal 1973. This was almost double the value recorded during the previous year and nearly nine times greater than the low point of $9 million in FY 1969. Egypt bought 292,000 tons of U.S. wheat during fiscal 1973. Even larger wheat purchases—plus 80,000 tons of U.S. wheat flour—are set for 1974.

Egypt also has been a rapidly growing market for U.S. corn and cottonseed oil. In addition, a demand for U.S. tallow and tobacco was created during the early 1960's through P.L. 480 programs and Egypt returned to the U.S. market for important supplies of these products in recent years.

U.S. sales of farm products to Iraq and Syria have fluctuated widely depending on crop production and political considerations among their State purchasing agencies. Syria has bought 50,000 tons of Durum wheat from the United States in recent months and Iraq purchased 100,000 tons of U.S. wheat







this year because dry weather last winter cut wheat yields in both countries. Even if no further purchases are made, U.S. agricultural exports to the two countries are likely to reach record values in FY 1974.

The Arabian Peninsula is a rapidly growing market for U.S. rice, processed foods, and animal feeds. Normally, Arab countries import 100,000 tons of basmati rice from Pakistan annually, but recent floods have adversely affected a large part of Pakistan's basmati rice crop. Thus, it appears that the Arab countries have turned to the United States as their major source of rice imports until Thailand begins substantial deliveries in about 2 months. U.S. rice exports to Arab countries in 1973 are expected to be more than double the 90,000 tons delivered in 1972.

The United States also is one of Israel's four major rice suppliers, shipping 10,650 tons in FY 1973 valued at $2.1 million. Spain, Argentina, and Uruguay are the other three major shippers of rice to Israel.

The United States, however, is the dominant supplier of Israel's imports of soybeans, soybean oil, wheat, wheat flour, and grain sorghums. U.S. exports to Israel have trended upward during the last decade with occasional slight setbacks. The greatest gains have been in commercial sales of soybeans, wheat, and coarse grains. U.S. sales of soybeans, alone, jumped from $34.7 million in FY 1972 to $53 million in 1973. The value of U.S. exports of wheat flour rose from $21.9 million in 1972 to $25.9 million in 1973, while the quantity was about the same—slightly more than 350,000 tons during each period. Shipments of grain sorghums increased slightly in fiscal 1973 to $35.7 million.

Wheat, rice, and soybean oil make up 75 percent of U.S. sales to Iran.

All of the Mideast Arab countries buy most of their farm products for cash from the United States or other countries. They earn most foreign exchange through oil exports or services to the petroleum industry.

Only about 7 percent of the $1.3 billion of U.S. imports from the Mideast are agricultural commodities. The United States buys tobacco from Lebanon and Syria; dates from Iraq; wine from Algeria and Israel; extra long staple cotton from Egypt and the Sudan; gum arabic from the Sudan; and Jaffa oranges, canned grapefruit, and frozen vegetables from Israel.

World Fishmeal Supplies Still Chancy

By ALAN E. HOLZ and ROSS L. PACKARD
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Foreign Agricultural Service

PERU, AFTER 2 disastrous years of poor anchovy harvests which triggered world shortages of fishmeal and skyrocketing demand for other high protein foods, ran exploratory commercial fishing tests in late September with disappointing results. Adult anchovies harvested during the tests had not spawned. However, water temperature, plankton growth, and other conditions were reported normal. Although another full-scale survey is scheduled this month, it appears there is little likelihood of any large-scale renewal of anchovy fishing until 1974.

While fishmeal supplies will still be limited in 1974, the period of decline has ended and market prices have normalized somewhat. But even if Peru has good harvesting when fishing resumes—full recovery is not expected in 1974. Peru reportedly has unfilled contracts with Eastern Bloc countries for 600,000 metric tons of fishmeal, with Cuba for over 100,000 tons, and with the People's Republic of China (PRC) for 150,000. Further, Peru's own needs are expected to reach or exceed 100,000 tons in 1974, without allowances for building stocks back to levels carried prior to 1972.

Fortunately, Norway, South Africa, Chile, Denmark, and Iceland are large producer-exporters of fishmeal, but the total for these five countries in 1972 was less than 1.1 million tons compared with 897,000 tons for Peru alone. Thus Peru's situation vitally affects world supplies especially when one considers its 1972 tonnage was half of normal.

Presently, it appears that fishmeal production in the 1970's will not be able to maintain the growth of the 1960's. This probably means the feed industry will look to soybean meal for substitution to the extent possible since it is the only major high protein supplement which will be available for both domestic and foreign use. Luckily, increased soybean supplies will be available this year for those that can substitute meal for fishmeal.

World production of fishmeal in calendar 1973 is estimated at 3.5 million tons—567,000 tons below the 1972 volume. This will be the third consecutive year of decline in output. Volume now has dropped to 1.9 million tons below the 1970 record and 2.1 million below the 1960-72 trend. If Peru recovers in 1974, world fishmeal output is expected to be up to 4.4 million tons. Even if this figure is reached, however, supplies still will be down sharply.

Chilean fishmeal production, too, has been restricted in 1973 by abnormal ocean currents along the South American Coast. Although Chile's output is expected to rise in 1974 as the oceanographic phenomena become more normal, future exports will be limited by expanding domestic feed needs for Chile's growing poultry industry.

Other major fishmeal producer-exporters, such as Norway, South Africa, and Denmark, have been faced with catch restrictions and fish stock limitations and therefore have been unable to enlarge their output to capitalize on soaring prices.

U.S. supplies of fishmeal in the first half of 1973 plunged to only 100,400 metric tons—227,700 tons below the comparable period in 1972. Nearly 90 percent of the slide was attributed to the sharp drop in imports to only 20,000 tons, compared with 223,000 tons in the same period of 1972.

In addition, U.S. production through June ran one-sixth below the same period last year. The fall was caused mainly by unfavorable weather which hampered menhaden fishing. Also, heavy spring floods, particularly in the gulf coast area, drove fish into deep water further from shore. Although there have been reports that the anchovy stock off the California coast could be exploited further, the catch

during the season ending last May amounted to only two-thirds of the allowable 100,000-ton quota.

Thus, there appears to be little likelihood of any marked improvement in U.S. fishmeal supplies until Peruvian exports recover in the spring.

Because of tight supplies of fishmeal, coupled with below-average availabilities of oilseed meals and continued expansion in world demand for high-protein feeds, U.S. fishmeal prices have skyrocketed. They reached a high monthly average of $628 per ton (c.i.f. east coast ports) in June and, although they dropped to $413 in early October, they were still far above the $373 of October a year ago.

Another factor contributing to the unprecedented high prices has been revaluation by major importers, such as the European Community and Japan, as well as devaluations in the major protein exporting countries—the United States, Peru, and Brazil.

The bulk of world exportable fishmeal stocks are held by the six members of the Fishmeal Exporters Organization (FEO). They are Peru, Norway, South Africa, Chile, Iceland, and Angola. In 1973, they accounted for more than two-fifths of world production—a sharp drop from the 49 percent of 1972. Stocks on April 30, 1973, were 465,000 tons below those held on the same date in 1972. Low stocks, combined with dim production prospects, have severely limited sales to major markets this year.

Exports by the FEO countries in 1973 were 780,000 tons below the level of the same period a year earlier, although production at that time was down only 350,000 tons. Part of the fall in exports resulted from FEO countries replenishing stocks because of a decline in the volume of fish processed into meal in 1972. A large share of this drop resulted from the 5.1-million-ton dip in the Peruvian anchovy harvest. Based on present conditions, it seems doubtful whether Peru will reach a normal catch level before 1975.

Presently, it appears that fishmeal production in the 1970's will not be able to maintain the growth of the 1960's. If this is true, the feed industry will most likely look to soybean meal as a substitute to the extent possible. Fortunately, the prospective increase in soybean meal availabilities is greater than the projected shortfall in fishmeal.

Trucks loaded with sacks of fishmeal (above) queue up for entrance to the port of Pejerry, about 22 miles from Pisco, where they are unloaded (below) and stacked (left) before shipping to world markets. Peru, the world's leading producer and exporter of fishmeal, has had 2 years of poor harvests.

Ireland's Livestock Industry Growth To Up Grain Imports

By ROBIN MOSSE
Office of U.S. Agricultural Attache
Dublin

ENCOURAGED BY marketing opportunities arising from Ireland's entry into the European Community January 1, 1973, Irish economists have predicted the country's livestock industry will experience strong upward surges in animal numbers within the next 5 years, driving total grain imports to triple current levels of 1.7 million tons, of which 1.5 million tons will be feedgrains.

A recent study of the Irish cattle and beef industry, commissioned by the Irish Livestock and Meat Board, strengthened the belief there would be a sizable long-term market for Irish beef because world supplies are unlikely to expand sufficiently to meet demand during the 1970's. The report said that "a steady and substantial increase in the number of cattle slaughtered within Ireland appears to be very much in the national interest."

Among the most important predictions by the Irish economists are that beef cattle production will climb one-third to 2 million head annually by 1978 and hog production will rise 50 percent to 3 million head a year, while by 1980 annual milk production will have increased 54 percent to about 1.3 billion imperial gallons.

Some experts have predicted a 30-40-percent increase in total agricultural production before the end of the present decade. Others have made even stronger forecasts. Dr. Anthony O'Sullivan of the Agricultural Institute (Ireland's State-sponsored agricultural research establishment), for example, says the potential for growth is much nearer 100 percent, most of it coming from the livestock sector.

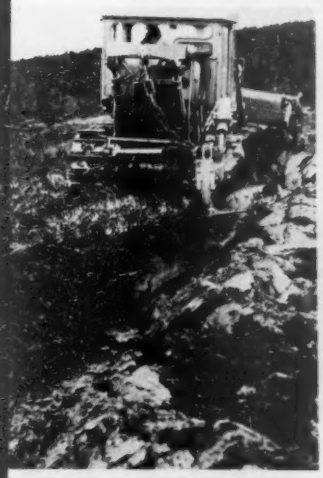
Under a plan put forward by the Irish Grassland and Animal Production Association, this 100-percent increase could be achieved in the 5-year period by the injection of the equivalent of US$622.5 million,[1] with livestock production accounting for 99.2 percent.

At present, agriculture provides nearly 25 percent of Ireland's gross national product; employs 25 percent of its labor force; and, during 1972, accounted for US$726.4 million or about 43 percent of its total exports. Foreign sales of livestock and livestock products in the latter year were worth US$455.4 million—63 percent of agricultural exports and 29 percent of total exports.

IN THE 12 MONTHS between June 1, 1972, and June 1, 1973, Ireland's cattle numbers rose 8.7 percent to a total of 6.4 million head. Within this, milking cows increased 11 percent, indicating the continuation of a high rate of stock building.

Ireland's increase in cattle numbers is dependent to a large degree on the country's ability to produce large amounts of grass, using grain only as a winter supplement. Mainly because of the natural advantages afforded by its climate, Ireland can produce sufficient herbage to carry its cattle on pasture for a longer period each year than most other European countries.

Ireland also has large areas of land suitable for pasture. Improvement projects have been initiated at various times over the years, but it is estimated between 3 million and 5 million acres can still be improved to bring the total to 17 million. Established improvement programs are expected to be continued with the aid of funds from the Euro-



Clockwise from top: Sheep on pasture in Ireland, a scene that may become rarer as farmers step up intensive fattening programs; cattle in open air feedlot; and one of the steps in converting marginal land to pasture.

[1] Conversions were made at the rate of £1=US$2.49.

pean Community, and some new projects may be started.

Ireland and the World Bank recently signed a $25-million, 12-year loan to finance in part a national livestock development program. Carrying a total $37.5-million price tag, the project will concentrate initially on the beef-breeding sector, with some support also being given to hog raisers.

Ireland's livestock industry faces a wide range of troubles which must be solved before it can take full advantage of EC sales opportunities, although funds from the World Bank loan may correct some of the shortcomings. Current problems include inadequate export shipping and internal transport facilities, unsatisfactory financial arrangements, and a shortage of overall plans for development of regional and more distant export markets.

The projection that beef-cattle output will reach 2 million head annually by 1978 comes from the State-sponsored Irish Livestock and Meat Board study, and is based on a population of some 2.3 million cows. These figures indicate not only larger numbers but a quicker turnover of feeder cattle.

Traditional types of production and cattle breeds are rapidly changing in Ireland. Where once it was considered unprofitable to feed grain to fatten cattle, improved livestock market conditions and strong demand for meat at unprecedented prices are convincing more farmers that intensive feeding methods with a quicker turnover will bring a better income. So, while forage, particularly grass and silage, will remain the basis of cattle rations, figures recently released by the Irish Department of Agriculture and Fisheries show production of manufactured cattle feeds rose 53 percent in 1972, compared with the previous year.

Although some of this growth may be short-term, reflecting in part a poor grass crop last year, it also indicates more farmers are dipping deeper into the "meal bag."

In addition to the intensification taking place on some traditional livestock farms, a few American-style feedlot operations are beginning to appear, some having a handling capacity of up to 5,000 head annually.

Market requirements in the expanded European Community, and also changing preferences in Ireland's most important traditional export market, the United Kingdom, have created a demand for leaner, younger cattle. Traditional Hereford-Angus-cross shorthorn animals produce a carcass too fat for modern European tastes.

The Friesian breed has now emerged as the ideal dual-purpose cow for Ireland's dairy industry, and breeders are looking to continental Europe for new crossing breeds for beef production. The Charolais, already widely accepted, is becoming more numerous and other breeds will soon follow. The projected 54-percent increase in milk production by 1980 will result largely from improved breeding, feeding, and management techniques rather than from increased dairy cow numbers.

Ireland is traditionally a hog producer as well, and formation of intensive pig and poultry enterprises are being encouraged to help small farmers who are otherwise restricted by lack of sufficient acreage. Also being ured to raise pigs and poultry are those whose incomes, even when supplemented with earnings from cattle and sheep raising, are insufficient to meet family expenses.

In the June 1965 census, of a total of 89,734 holdings keeping hogs, only 3,081 had more than 50 animals. Since then, there has been rapid rationalization throughout the industry, particularly in the past 3 years or so, with activity being concentrated on establishment of larger, more efficient units,

Continued on page 16

EC Beef Demand Alters Irish Exports

The strong demand for meat on the Continent has altered the Irish beef export pattern for the second straight year. While the United Kingdom is still Ireland's No. 1 beef customer, exports to the European Community have risen dramatically since 1971.

Total beef exports to the original EC-6 are expected to reach 55,000 metric tons in 1973, compared with 30,000 tons in 1972, and less than 1,000 tons in 1971. Shipments to the EC-6, as of late August 1973, had already equaled last year's total.

The United Kingdom and the United States, Ireland's second largest traditional beef customer, accounted for shares of 70 percent and 20 percent, respectively as late as 1971. Strong Continental demand is expected to drop the U.K. share to 40 percent in 1973, while the U.S. share may rise slightly above 1972's. Revaluation of the U.S. dollar and higher European prices were responsible for the drop in exports to the United States.

U.S. markets may attract Irish beef exports of 10,000 tons this year if prices strengthen but the total is expected to remain far short of the 30,000 tons exported in 1971. Ireland, however, is a relatively minor supplier of beef to the United States, averaging 6 percent of U.S. beef and veal imports in 1970-71, and dropping to 2.3 percent in 1972.

Irish slaughter totals and subsequent exports dropped slightly in 1972 to accommodate herd buildup, but total exports of beef and veal are forecast to rebound to 1971 levels this year and expand by an additional 13.5 percent during 1974.

IRELAND'S BEEF EXPORTS BY PRINCIPAL DESTINATIONS

Country	1971		1972		1973 [1]	
	Amount	Share of market	Amount	Share of market	Amount	Share of market
	1,000 metric tons	*Percent*	*1,000 metric tons*	*Percent*	*1,000 metric tons*	*Percent*
United Kingdom	103.3	70.0	78.5	60.9	60.0	40.5
United States	30.0	20.3	7.3	5.7	10.0	6.8
EC-6	.6	([2])	30.0	23.3	55.0	37.2
U.S. Armed Forces	5.6	3.8	9.7	7.5	10.0	6.8
Israel	6.9	4.7	—	—	10.0	6.8
Others	1.4	.1	3.4	2.6	3.0	2.0
Total [3]	147.9	100.0	128.9	100.0	148.0	100.0

[1] Estimate by Office of U.S. Agricultural Attaché, Dublin. [2] Less than 0.1 percent. [3] May not add because of rounding.

India's Rice Crop Up—Is Key Factor in Meeting Big Food Needs

By D. V. KHOSLA
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New Delhi

INDIA'S rice harvest—now coming into the marketplace—will partially improve a scarcity situation that has plagued the country since the near-failure of last season's crop, when a monsoon failure and resultant widespread drought sharply reduced rice production. Until the crop becomes available, however, and since supplies of exportable rice on world markets continue short, Government officials are hoping to meet consumption needs by increasing availability of other foodgrains at retail outlets.

The outlook for the critical rice harvest, uncertain until recently, has improved following widespread rains over most of the country since early July. Despite the prospect of improved production, supplies are likely in the short term to continue tight, far below the Nation's burgeoning requirements. Longer-term prospects, however, are brighter.

India's rice production has almost doubled during the 25 years since the country's independence due to an increase in area cultivated, expansion of irrigation facilities, increased use of fertilizers and other essential inputs, evolution and use of higher yielding rice varieties, and the Government's rice support program.

If the increase in rice production has not been as spectacular as growth in wheat production (which has almost quadrupled in the last 25 years), this is largely because the highest yielding varieties of rice now available are not fully adapted to monsoon conditions in India. India expects to continue increasing rice production through continued research in developing higher yielding varieties and improved cultural practices.

Since prospects for further substantial increases in wheat production appear limited, India must look to rice to meet the bulk of increasing foodgrain needs.

Rice—the most important agricultural commodity produced in India—accounts for about 40 percent of total annual grain production. Twenty-five million farm families and 36 million landless laborers depend on rice as their major source of food and employment.

During the past 25 years the area under rice cultivation increased by over 22 percent and average yields increased by over 55 percent. Total irrigated rice acreage expanded to 38.5 million acres in 1969-70 from 24.2 million in 1950-51—an increase of 59 percent.

Total area planted with high-yielding varieties of rice was estimated at 17.8 million acres in 1971-72, compared to 2.2 million acres in 1966-67.

Consumption of fertilizers for all crops increased to about 2.6 million tons in terms of NPK (nitrogen, phosphorus, and potassium) in 1971-72 (April-March) compared to 73,800 tons in 1951-52.

As a result of these improvements in rice cultivation, production increased by 90 percent to an average of 41.8 million tons during the period 1969-70 to 1971-72 from an average of 22 million during 1947-48 to 1950-51.

In the mid-sixties, the Government initiated a program for high-yielding varieties (HYV's). Short-season HYV's were introduced from Taiwan and the International Rice Research Institute in the Philippines. These varieties included Taichung Native 1, Taichung 65, Tainan 3, and IR-8, which require 105-135 days from planting to harvesting—in contrast to 180 days for traditional varieties. Yields of 1,500-4,300 pounds of milled rice per acre are common as compared to 800-1,000 pounds from traditional varieties.

However, while yields obtained from these varieties have been impressive, the plants are more susceptible to diseases and parasites than the traditional varieties. Another problem is consumer preference for other finer nonglutinous rice.

Several new varieties developed in India, which combine high yields with good cooking quality, have been released for commercial cultivation during the past 3-4 years:

Transplanting the important rice crop.

- Jaya (IET-723) matures 10 days earlier than IR-8 and is about 5-10 percent higher yielding.
- Padmā (CR-28-25) matures about 7-10 days earlier than Taichung Native 1. It is about 8 percent lower yielding than Taichung Native 1, but its superior grain quality and rapid maturing are advantageous.
- Bala matures in 85-90 days, and fits well in certain multiple cropping patterns.
- Two recently released dwarf HYV's, IET 1991 and IET 1039, produce a good quality grain which commands a better price in the market. Significant expansion in production of these two varieties is expected within the next few years.

A MAJOR BREAKTHROUGH in rice production is not foreseen for the next few years. However, even greater advances than at present are likely assuming average weather conditions, availability of HYV's as well as essential inputs for increased production, and no major conflicts between the Government and farmers on the question of price incentives to producers. (Thus far, the wheat support price has been more favorable than that for rice.)

There is ready acceptance of the new superior disease- and parasite-resistant grain types IET 1991 and IET 1039. Increased production of rice as a winter

crop in the northern States is expected, and large potential for expansion of area devoted to summer rice crop under controlled irrigation is a major bright spot.

The bulk of rice is grown during the wet kharif season (winter and fall), when fertilizer responsiveness is not nearly as high as during the drier rabi season (spring and early summer), when all wheat is grown under controlled irrigation. Rice grown during the rabi season has about the same responsiveness to fertilizer as wheat. HYV's of rice grown during the kharif season mature earlier and are frequently ready for harvest before the end of the rainy season. Problems in harvesting, drying, and storing result.

Major rice producing States are: West Bengal, Bihat, and Orissa in the east; Andhra Pradesh and Tamil Nadu in the south; Madhya Pradesh in the central area; and Uttar Pradesh in the north. These seven States harvest about three-fourths of India's total rice production.

Most rice produced on farms does not enter commercial marketing channels. About two-thirds of the total harvest is retained by producers for various purposes such as payment of wages in kind, barter transactions, seed, animal feeding, and consumption by the producer's family. Relative importance of these purposes varies according to crop seasons, locality of production, and status of the farmer.

Until a few years ago, all marketable surplus was handled exclusively by private trade. But during recent years, the Government has participated actively in marketing operations, mainly providing support prices to farmers and stabilizing supply and price of rice for consumers. Government-owned rice is sold through 173,000 fair price food shops at controlled prices. Under this program, the Government has been procuring and distributing rice and other grains in direct competition with private trade. Methods of procurement in recent years have been: Purchases by competitive bids at grain market auctions; monopoly procurement by the Government; graded levies requiring obligatory deliveries on producers; levies on millers and traders; and preemptive open market purchases.

The Government has placed a general embargo on exports of rice and other grains. However, exports of small quantities of high quality Basmati rice, largely for consumption of Indian nationals abroad, have been permitted. Annual exports of Basmati rice in recent years have averaged around 20,000 tons. Prices received (averaging $236 per ton in 1972) have been encouraging.

Although India is the world's second largest rice producer, the country has imported moderate quantities of rice for many years. Burma was the main source of rice through World War II. Then Thailand became India's major supplier. During the last several years, Egypt has also supplied some rice. These imports have been primarily under bilateral trade agreements. Future import needs will be determined by the success of domestic foodgrain production programs.

Population continues to increase at a rate of about 12 million people per year. This population growth alone requires an increase in foodgrain production of about 2.5 million metric tons per year (of which 40 percent is rice) to feed the population at consumption levels of recent years. To meet this increasing demand for foodgrains, India counts heavily on sustained increases in rice production. However, even though rice output in the future is expected to increase at an even faster rate than in the recent past, India may be hard pressed to meet future foodgrain needs from increased domestic production alone.

INDIA: RICE AND OTHER FOODGRAIN IMPORTS, 1951-72
[In 1,000 metric tons]

Year (July-June)	Milled rice	Other foodgrains	Total foodgrains
1951-52/1955-56 average	445	1,658	2,103
1956-57/1960-61 average	554	3,283	3,837
1961-62/1965-66 average	542	4,350	4,892
1966-67	681	8,732	9,413
1967-68	362	7,796	8,158
1968-69	458	3,851	4,309
1969-70	356	3,307	3,663
1970-71	324	2,193	2,517
1971-72	192	1,567	1,759

Source: Ministry of Agriculture.

INDIA: AREA, YIELD, AND PRODUCTION OF RICE AND ALL FOODGRAINS

Years (July-June)	Rice			All foodgrains		
	Area	Yield	Production	Area	Yield	Production
	1,000 acres [1]	*Lb. per acre*	*Metric tons*	*1,000 acres* [1]	*Lb. per acre*	*Metric tons*
1947-48/1950-51 avg.	75,771	640	21,990	242,899	476	52,372
1951-52/1955-56 avg.	75,798	728	25,038	260,211	535	63,181
1956-57/1960-61 avg.	81,886	816	30,332	280,105	583	73,999
1961-62/1965-66 avg.	88,032	881	35,155	289,458	617	81,041
1966-67	87,105	770	30,438	284,911	575	74,231
1967-68	90,036	921	37,612	300,031	699	95,052
1968-69	91,345	960	39,761	297,583	697	94,013
3-Year avg.	89,495	885	35,937	294,175	658	87,765
1969-70	93,107	957	40,430	305,341	718	99,501
1970-71	92,890	1,002	42,225	307,185	778	108,422
1971-72	92,252	1,022	42,735	302,016	764	104,656
3-Year avg.	92,749	994	41,797	304,847	754	104,193

[1] 1949-50/1950-51 average; 1947-48/1948-49 acreage data not available.
Source: Directorate of Economics and Statistics, Ministry of Agriculture, Government of India.

U.S. Imports of Latin American Sugar To Help Set Production

By J. PHILLIP ROURK
Sugar and Tropical Products Division
Foreign Agricultural Service

THE UNITED STATES is normally No. 1 customer for sugar exported by three Latin American countries visited by the author recently. Domestic consumption in these countries—Brazil, Peru, and Ecuador—is rising sharply, but low domestic prices and increasing production costs in the last two countries mean sugar producers must make their profits almost solely on export sales.

All three countries are prepared to step up production but hope U.S. import quotas and prices on the world market will make such expansion worthwhile. They were concerned about the results of negotiations on the International Sugar Agreement, which expires at the end of 1973, and developments affecting the U.S. Sugar Act, which expires at the end of 1974.

Brazil, the world's third largest sugar exporter, produced an alltime record of 6 million metric tons this past year (1972-73) and plans output of 6.9 million metric tons in 1973-74.

Brazil's sugar exports, rising steadily in recent years, became the country's second most important agricultural foreign exchange earner in 1972. Exports in 1972 were worth $421 million and amounted to 2.6 million metric tons, double the 1.23 million metric tons shipped in 1971. This year's exports are forecast at 3 million tons (worth $500 million), with large sales to the USSR and the People's Republic of China.

The tight situation on the world sugar market due to rising consumption and short crops for the past 2 years in Cuba and the USSR, major producing nations, helped increase Brazil's earnings. The world market price in October 1972 of 7.4 cents per pound approached that received by Brazil for sales under the U.S. quota. Brazil's three major sugar markets were the United States, taking 620,000 metric tons; the USSR, 325,000; and the People's Republic of China, 407,000.

Helping ship the huge exports is a new sugar-loading terminal—in operation since last September at Recife on the northeastern coast. The terminal has 200,000-ton storage capacity and a mechanical loading system capable of handling 1,000 tons an hour on a 24-hour basis. (See *Foreign Agriculture,* December 25, 1972).

Construction of another bulk-loading facility, similar to the one at Recife, will be started this year in the northeastern Alagoas State. Next year, a major sugar warehouse complex will be built in São Paulo State.

Brazil's program for consolidating and eliminating old and inefficient mills, primarily in the northeast, is now virtually achieved. Now underway is a program to reequip and modernize the remaining mills where necessary. With completion of this program, Brazil would have milling capacity sufficient to produce 9 million metric tons of sugar annually.

Long-term increased development of the Brazilian sugar industry is foreseen in the northeast and the Amazon region. However, sugar production in São Paulo may decline over the long range due to industrialization and rising costs.

Domestic consumption is growing at a rate of 4-5 percent per year, but the rate at which Brazil's production actually expands will depend upon how much the country can sell on the world market.

Brazilians did not want to expand and then cut back, and therefore awaited the outcome of the International Sugar Agreement negotiations and legislation extending the U.S. Sugar Act.

Dr. Aderbal Loureiro da Silva, vice president of the Sugar and Alcohol Institute in Rio de Janeiro, predicts that given markets, Brazil could reach an export total of 5 million metric tons within 5 years. The official was optimistic about world prices, believing they will remain high during the next decade.

Peru produced 945,000 metric tons of sugar this past year (1972-73), 24,000 tons more than last year's record. Favorable weather and adequate irrigation contributed to this increase.

According to Armando Zamudio, superintendent of marketing of the Central de Cooperatives Agrarias de Producción Azucareras del Perú (CECOAPP), Peru will be able to supply about 400,000 metric tons of sugar to the United States in 1973. Mr. Zamudio stressed the importance of the U.S. market for Peru, although noting that the amount of sugar Peru will be able to supply may vary from year to year.

In any case, assuming normal weather conditions, production during the next 2-3 years should increase sufficiently to keep up with domestic consumption growing at a rate of 5.5 percent per year, and still maintain exports of 400,000 metric tons per year.

A CECOAPP expert in production technology anticipates sugar production of 1 million metric tons in 1973-74 and 1.1 million metric tons in 1974-75. If present plans to increase cane acreage in coastal areas by 50,000-60,000 acres are achieved, production could be augmented by an additional 200,000 metric tons after 1975.

This planned expansion is still uncertain. More soil analysis, wells, and river diversion work are necessary. Also, there is competition from other food products for available land and water in the area.

Soil salinity is a widespread problem in coastal Peru, and drainage in many areas is inadequate. However, excess water in the summer season could be used for drainage and flushing out salts.

"Brazil's production will depend upon how much the country can sell on the world market . . . given markets, Brazil could reach an export total of 5 million metric tons within 5 years."

Increased mechanization can be expected to improve production efficiency in coming years. Experimentation with an Australian cane cutter and chopper, which should prove superior to the cane rake now used in some areas, is underway.

Experiments in sugar growing are being made in "Ceja de Selva," the area between the eastern foothills of the Andes and the Amazon basin area. Large-scale production in this area would have to develop along Carribbean lines with the harvest season of 5 or 6 months during the driest part of the

year. Production would be primarily for export via the Amazon River. However, it will be several years before production in the area can play a significant role in the sugar industry.

The Peruvian sugar industry was nationalized by the Government in 1969. After a period of direct Government management, the various properties were organized into cooperatives.

Each cooperative is managed by an administrative council elected by the General Assembly of the workers and technical staff members. Title is still vested in the Government until workers have amortized the value of the property over an estimated period of 20 years.

Formation of the cooperatives seems to have engendered a spirit of enthusiasm and pride at least at the top levels of management and technicians in the cooperatives. There are fewer strikes and labor problems now. Less time lost means increased plant efficiency. In most mills, worker-supervisor relations seem good, and the system of election for representation on the administrative councils appears to be working.

On the other hand, one of the present strengths of the cooperatives is that managers and technicians are largely holdovers from the private companies. Some few mills have apparently begun to suffer from excessive turnover of technicians.

Costs of production are rising due to increased worker salaries and social benefits. Many mills are diversifying into poultry, hogs, and cattle. It remains to be seen whether this will be a paying proposition or simply a subsidy for workers.

The real crunch will come when the elected officials of cooperatives must decide between heavy expenditures for investment to step up production or increased compensation for the workers who make up the majority of cooperatives' membership. Unless the Government grants a higher price for sugar sold domestically, cooperatives will be unable to continue to provide more worker benefits.

The Government is said to believe richer cooperatives should help and/or subsidize poorer ones. This could have adverse effect on motivation and morale and hinder efforts to increase productivity.

Harvested sugar cane is loaded on flat cars, left, at Peru's Cartavio sugar estate. Aerial view, below, of cane plantation and industrial center at Paramonga estate in Peru.

Ecuador expects to export about one-third of its 1972-73 sugar harvest of an estimated 249,480 metric tons. Some cane was left standing, and if weather permits an earlier start this year, the 1973-74 cane harvest is expected to yield about 263,000 metric tons.

Although sugar, including noncentrifugal sugar, has been produced since the colonial period, the industry first began to enter a period of steady growth after World War II. Since 1958, growth has been particularly dynamic, encouraged by the steady increase in Ecuador's quota in the U.S. market. During 1961-71, sugar production and domestic consumption increased by nearly 80 percent, while exports, nearly all to the United States, grew by slightly more than 80 percent.

Meanwhile, the number of mills fell from 19 in 1944 to 7 operating today. Many small mills were abandoned, while others were expanded into larger and economically more efficient units.

Since most mills are already operating at close to capacity and domestic consumption is increasing at a rate of at least 5 percent per year, mill expansion or construction of new mills must be undertaken promptly if Ecuador is to continue to fill its quota in the U.S. market.

An ample reserve of land with appropriate climatic and soil conditions for sugar cultivation is available, primarily in the Guayas river basin. Given reasonable assurance of remunerative prices in the United States and other external markets, the country could expand

sugar production very substantially in the future. However, some of this land is subject to periodic flooding, and would require significant investment in drainage canals and other infrastructure.

Another factor which may slow or inhibit production increases in the near future is the price received by the mills, currently about 4.5 U.S. cents per pound. This price has not been raised for over 20 years, and is one of the lowest prices received by sugar producers anywhere in the world.

With production costs steadily rising, due to higher wages and augmented social benefits paid to workers, industry officials maintain that sales to the domestic market barely return cost of production and in some cases result in a loss.

The Government assigns a local consumption quota to each mill so that the burden is shared. Each mill must look to U.S. imports to provide its operating profit and capital resources necessary for expansion.

The Government seems to have accepted the industry's contention that an increase in domestic price of sugar is necessary for continued production growth. The Director of the National Sugar Program, Mr. Aquiles Larrea, indicated that a price rise was likely. The official believes that total production of centrifugal sugar could expand by an additional 55,000 metric tons over this year's expected production to a total of about 386,000 metric tons over the next 2 or 3 years.

Several mills are initiating expansion programs. Swedish interests are planning a new mill. Also, plans for an additional mill, "Taura," have been under consideration for several years. The company would probably be a joint venture of Ecuadorean interests and the Japanese company Marubeni. Construction, using Japanese equipment and materials, was expected to begin no later than October 1973, and would take approximately 2 years.

Total property area is about 24,700 acres, of which 1,000 acres are planted with cane for seed. Plantings will be increased to about 5,000 acres in 1973 and to about 10,000 acres in 1974. Estimated production could reach about 110 metric tons of cane (4 tons of sugar) per acre.

The area is subject to flooding, and construction of drainage canals and other defensive works has begun.

U.S. Soybean and Meal Exports To Italy Head for Another High

Following a fallback in 1972, U.S. exports of soybeans and soybean meal to Italy have picked up sharply this year, promising to set a new record if the pace of the first half is maintained. And even if a record volume is not attained, the high prices now prevailing will provide a bonanza in foreign exchange earnings for products which in recent years have accounted for some 40 percent of U.S. farm sales to Italy.

Reflecting short Italian oilseed and olive crops—plus problems with obtaining supplies of fishmeal, peanuts, and other competitive products—the expansion through the first 7 months of 1973 had amounted to almost 50 percent from the same months of 1972.

The total for U.S. soybean and meal sales in the 1973 period was 650,000 metric tons (meal equivalent), slightly more than the full-year tally for 1969 and less than 100,000 tons off 1972's final total of 737,000 tons. The record for U.S. sales of soybeans and soybean meal to Italy was reached in 1971, when they hit 87,000 metric tons.

This year's expanded U.S. sales of soybeans and soybean meal continues the phenomenal growth that has characterized trade with Italy during the past decade. Spurred by insatiable demand for mixed feed ingredients for a rapidly expanding livestock industry, this growth trend by 1971 had moved Italy's outlay for soybean imports to $106 million, for a more than fourfold increase over a decade earlier. In addition, that country was importing nearly $150 million worth of other feeds such as vegetable oilcakes and meals and fishmeal. As a result, U.S. soybeans and soybean meal alone were earning $109 million by 1971.

With volume of sales down in 1972, earnings that year fell 10 percent to $98 million.

Virtually all of the meal produced from the imported soybeans or purchased as such is used by the Italian feed manufacturing industry, with the ultimate consumers being the poultry farmers, hog producers, feedlot operators, and other livestock enterprises. With the price of meat still high, reflecting a burgeoning consumer demand, further efforts can be expected by these industries to expand and modernize, which of course ups mixed feed needs.

Within this market, soybean meal continues to be favored, with a new record for its consumption achieved in 1972: 1,122,000 metric tons, or 12 percent more than in 1971.

However, a few potential trouble spots are developing.

One of these is the emergence of Brazil last year as a major competitor in the Italian soybean market. While recording a net decline in purchases of U.S. soybean and meals last year, Italy bought nearly 100 percent more Brazilian soybeans than in the previous year, (a total purchase of 192,512 metric tons) and over 400 percent more soybean meal (162,404 tons). These totals, respectively, were about one-third and one-half as large as those recorded by the United States and represented a major breakthrough.

While larger-than-anticipated sales last season have put a damper on Brazilian soybean exports this year, the country continues as a competitor to watch, with a domestic crop that has more than doubled since 1971.

The high foreign exchange outlay for these and other feed ingredients also has sparked efforts within Italy to produce more ingredients domestically. The use of urea in beef feeds, for instance, was begun this year.

In addition, the Italian feed industry in recent months reportedly began incorporating higher and higher percentages of rapeseed meal —the major domestic oilseed—in the manufacture of several types of feed. The use of poultry manure in feed is also coming out of the experimental stage, and chances for expansion seem good.

Finally, industries in Calabria and Sardinia are expected to begin the manufacture of protein on petroleum derivatives soon. It is anticipated that in the near future some 100,000 metric tons could be produced.

CROPS AND MARKETS

GRAINS, FEEDS, PULSES, AND SEEDS

World Grain Production and Supplies Improve in 1973

In recent months, world grain production and supplies have improved appreciably, especially among exporting countries. Crop outturns have exceeded earlier expectations in much of Eastern and Western Europe, and prospects for the Australian wheat crop and the Asian rice crop also indicate higher levels of production than expected earlier.

World **wheat** production in 1973 is currently estimated at a record level of about 355 million tons, up 7 percent from last year and 4 percent above the previous record in 1971. Although beginning wheat stocks were down at the start of the 1973-74 season, this has been largely offset by the record 1973 production.

Total import demand for wheat is forecast about 4.5 percent below the exceptionally high level experienced in 1972-73. Of the major trading areas, only the Soviet Union is expected to show a sharp decline in imports during 1973-74. However, increased imports, especially in the People's Republic of China, Africa, and Asia, offset the near 9.5-million-ton decline expected in wheat shipments to the Soviet Union.

Larger wheat supplies will be available for shipment during 1973-74 in all of the major exporting areas except Argentina, where excessive rainfall has reduced acreage and yield of the crop to be harvested beginning December. U.S. and West European wheat shipments will approach last year's record levels. Canadian exports are forecast at about the 1971-72 level. In Australia, the large crop to be harvested beginning December will be about double last year's drought-affected production. But since this new crop supply will not be available for export until the beginning of 1974, Australia's exports in 1973-74 will only about equal the long-term average. Large 1973 wheat production in the USSR should enable that country to approach an import/export balance.

There is an improved outlook for Australian wheat production, while in the United States, Canada, Western Europe, and the USSR, the optimistic outlook for production has been further confirmed.

Current data indicate a substantial increase in world **feedgrain** production in 1973-74 to an estimated level of about 578 million metric tons—about 34 million tons above the revised 1972-73 production. This record production has resulted from increases in both yields and area planted.

Weather and crop conditions have improved considerably over last season in several major producing areas. Output by the major exporters in 1973 is expected to exceed 244 million metric tons—about 8 percent above 1972. Production is up in nearly all major producing areas. Feedgrain output in the USSR, recovering from an exceptionally poor crop in 1972, is expected to reach an estimated record 85 million metric tons (gross weight)—nearly 15 million tons above a year ago. Coarse grain production has or is expected to return to normal levels in Australia, South Africa, and Thailand, after drought had reduced output severely in these countries in 1972. Monsoon rains in South Asia have also improved conditions for crops to be harvested in the fall of 1973.

The United States will continue to be the major supplier of feedgrains. Carryout stocks in the major competitor countries are expected to decline further in 1973-74 despite higher production. U.S. feedgrain stocks on June 30, 1974, have been estimated at 52.3 million metric tons. Stocks in the selected competitor countries are also forecast to be nearly 1.5 million tons lower by the end of 1973-74, reflecting higher world imports. U.S. coarse grain output (including rye) for 1973 has been forecast at 191.9 million tons—5.5 percent above the previous year and a record harvest. The 1973 crop was achieved on about 102.4 million harvested acres—8.3 million acres more than the previous year.

A substantial increase in world **rice** production is expected for 1973. Assuming continued favorable weather conditions in Asia, world rice output in 1973 should reach about 300 million metric tons, up about 5 percent over the 286 million tons estimated for 1972. Thus far, monsoon rains have been favorable throughout most of Asia where 90 percent of the world's rice is produced. Output in most major producing countries is expected to recover to 1971 levels, and record crops may be harvested in Thailand, Bangladesh, Italy, Philippines, and the PRC.

Production in the major countries for 1973 is forecast as follows: (million metric tons paddy rice with previous year in brackets): Thailand 13.5 (11.8); Burma 8.2 (6.8); Philippines 5.5 (4.3); Japan 15.4 (14.8); India 65 (56); and Indonesia 19 (19). For the PRC the current forecast is for 1973 rice production to exceed the 1972 outturn, which has been estimated at 98 million metric tons.

U.S. rice production for 1973-74 is estimated at 3.1 million metric tons milled (4.3 million tons paddy) up 12 percent over 1972-73. The harvested area of 2,168,600 acres however, increased by 19 percent over the previous year. The United States plays a major role in world rice trade accounting for more than a quarter of the rice moving into world trade since 1967. Exports in 1973-74 are expected to be about 1.9 million metric tons (milled) compared with about 1.8 million tons last year. Ending stocks for July 31, 1974, are estimated at 176,000 tons (milled) only slightly higher than for July 31, 1973 stocks, lowest carryover in a decade.

The current world rice market is characterized by a low level of supplies and strong demand that have combined to push prices to record levels. Although world production was down only by about 5 percent in 1972, below-normal production throughout most of the Asian countries had a profound effect on the world market. In particular, production fell by 12 and 16 percent, respectively, in Thailand and Burma, and exports from these two countries, which supplied about 36 percent of the rice moving in world trade in 1972, have been severely limited in 1973.

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Oct. 30	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-14	5.70	−48	1.95
USSR SKS-14	(1)	(1)	(1)
Australian FAO [2]	(1)	(1)	1.88
U.S. No. 2 Dark Northern Spring:			
14 percent	5.17	−29	1.84
15 percent	(1)	(1)	(1)
U.S. No. 2 Hard Winter:			
12 percent	5.55	− 7	1.78
No. 3 Hard Amber Durum	6.87	−15	1.80
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	(1)	(1)	1.73
Feedgrains:			
U.S. No. 3 Yellow corn	3.02	− 9	1.35
Argentine Plate corn	3.23	−15	1.53
U.S. No. 2 sorghum	3.20	−14	1.33
Argentine-Granifero sorghum	3.18	−12	1.33
U.S. No. 3 Feed barley	2.79	−21	.98
Soybeans: [3]			
U.S. No. 2 Yellow	6.34	+34	3.76
EC import levies:			
Wheat [4]	[5] 0	0	1.54
Corn [6]	[5] .34	− 4	1.05
Sorghum [6]	[5] .23	− 6	1.09

[1] Not quoted. [2] Basis c.i.f. Tilbury, England. [3] New crop. [4] Durum has a separate levy. [5] Levies applying in original six EC member countries. Levies in U.K., Denmark, and Ireland are adjusted according to transitional arrangements. [6] Italian levies are 18 cents a bu. lower than those of other EC countries.

Note: Price basis 30- to 60-day delivery.

FATS, OILS, AND OILSEEDS

Canada Restricts Use of Some Edible Oils in Food Products

The Government of Canada has placed a ceiling on the maximum amount of certain long-chain fatty acids that may be contained in processed edible oils used in food products such as margarine, shortening, cooking oil, and salad dressing. The two types of edible oils used in Canada that contain significant amounts of long-chain fatty acids are rapeseed oil and marine oils, specifically, herring oil.

As of December 1, 1973, these acids will be limited to 5 percent of the fatty acids present in edible oils. The Government plans to reduce the limit further when supplies of oils of acceptable quality become adequate.

The decision to limit consumption of long-chain fatty acids was based on a study of the possible harmful effects of these fatty acids on human health.

Nigeria's 1973-74 Peanut Crop Down 40 Percent

Nigeria's 1973-74 commercial peanut crop is now forecast at 510,000 metric tons (unshelled basis), 26 percent below earlier indications and 40 percent less than the 858,000 tons commercialized in 1972-73. While production was previously expected to decline due to the delayed start of the rainy season, reports now indicate that a sharp deterioration of rainfall from mid-August through September in the growing areas north of Kano has further reduced 1973-74 peanut crop prospects.

Total peanut production is placed at 775,000 tons for 1973-74, compared with 1.1 million tons in 1972-73.

World Cottonseed Output Expected To Set Third Consecutive Record

For the third consecutive year, world cottonseed production for the year beginning August 1, 1973 is forecast to reach a new high of 24.3 million metric tons. This represents a gain of 1 percent, or 312,000 tons, above the 1972-73 volume. Countries expecting higher cottonseed outturns are the USSR, the People's Republic of China, India, Egypt, and Sudan. These countries together could account for a 553,000-ton increase over last season's crop.

On the other hand, the United States, Mexico, Brazil, and Pakistan anticipate lowered cottonseed output of about 398,000 tons less than a year ago. Production increases translated into oil and meal availabilities would be 15,000 tons of cottonseed oil and 47,000 tons of cottonseed meal.

DAIRY AND POULTRY

South Brazil's Milk Shortage Worsened by Meat, Producer Prices

The perennial shortage of milk in south Brazil during the dry season has been more severe this year despite higher than average rainfall through the first half of the period. The milk supply in São Paulo and Rio de Janeiro has been estimated at 30-35 percent below normal.

The producer price set by the Federal Food Supply Agency (SUNAB) has not been sufficient to induce new investments or modernization in the milk industry. Consequently, perhaps as much as 85-90 percent of the milk produced for commercial sale comes from small-scale, low-output milking operations which typically produce high-cost milk.

This year's high beef and beef cattle prices have given dairy farmers the alternative of selling for slaughter or fattening calves with the farm's milk, thereby further intensifying the normal seasonal milk shortage.

West Germany Ups Subsidized Exports of Poultry Meat

During January-June 1973, West Germany—the world's largest poultry meat import market—increased the value of foreign purchases of poultry meat by 23 percent. During the same period, West Germany increased its subsidized exports by 121 percent—20 million pounds compared with 9 million pounds for the January-June 1972 period.

The West German product is being forced into export because it cannot compete in the German domestic market with Dutch and Danish products. Prior to establishment of the European Community's Common Agricultural Policy in 1962, the United States was the principal supplier to the German market. With the United States being forced out of the market, the Dutch have become the largest German supplier. Now that Denmark is a member of the EC, it is pressing for a share

of the German market—putting more pressure on Germany to export its subsidized poultry meat.

The bulk of subsidized West German shipments are frozen whole broilers and fowl going to traditional U.S. export markets. Regular German export markets are developing in the Near East, South America, and Hong Kong with resultant loss to the United States.

TOBACCO

Greek Exportable Oriental Tobacco Price Up 44 Percent

Sales of the 1972 Greek exportable oriental-tobacco crop ended in mid-August with prices averaging 44 percent above the 1971 crop. The entire crop of 124 million pounds was sold for an average price of 75 U.S. cents per pound. The 1972 burley-crop sales by mid-August totaled 25.4 million pounds, or about 95 percent of the 26.6-million-pound crop. The price paid for this portion of the crop averaged about 51 U.S. cents per pound, an approximately 43 percent increase from the 1971 crop.

The 1973 tobacco crop has had favorable weather conditions and the total production of all types is expected to be above the 184 million pounds estimated earlier.

COTTON

USSR May Hit Fourth Straight Cotton Record

The Soviet Union is apparently headed for its fourth straight record cotton harvest, based on production pledges totaling slightly over 11.5 million bales from six cotton-growing Republics. If fully met, this outturn will compare with production of 10.6 million bales in 1970, 10.9 million in 1971, and 11.2 million in 1972.

The pledges indicate production records may be established in four of the six Republics and for the USSR as a whole, while output in the other two Republics would be at or near record levels.

Taiwan's Booming Textile Industry Boosts Cotton Imports

The Republic of China (Taiwan) is seeing rapid growth in its textile industry and imports are expected to grow apace. Because its cotton production is practically zero, Taiwan's foreign purchases of cotton in 1972-73 totaled almost 666,000 bales, 14 percent greater than the previous season's 584,000 bales. Imports during 1973-74 are expected to be a record 850,000 bales, another 32-percent boost.

The United States is the principal supplier of cotton to Taiwan. In calendar 1972 the U.S. share was down to 52 percent, but it is expected to recover in 1973 to the previous year's level of about 65 percent. The U.S. share could go even higher in the future. Brazil, the second largest supplier of cotton to Taiwan, provides more than 27 percent.

During 1972-73, Taiwan's textile industry added 243,000 new spindles to its capacity, bringing the total number to 1,563,000. In addition, the Government has received requests for a further increase in the number of spindles in existing mills and applications for 32 new mills with 420,000 additional spindles.

Spain Partially Suspends Import Duties on Cotton

The Spanish Government has reduced import duties on raw cotton and carded and combed cotton by 60 percent from September 17 through December 17, 1973. The full amount of duties for both commodities is 13 and 15 percent ad valorem, respectively. Spain had previously established a duty-free import quota for 18,372 bales of raw cotton for the period February-October 1973.

LIVESTOCK AND MEAT PRODUCTS

Brazil Prefers Shoe To Leather Exports

Because of the dramatic growth of the Brazilian shoe industry, exports of bovine leather will be prohibited in 1975 and reduced in 1974 to 50 percent of the 1973 level.

In 1971, Brazil's shoe exports were US$29 million, rising to nearly $55 million in 1972 and, as of July 1973, had passed the $90-million mark. In the recent International Leather Fair in Paris, Brazil sold more than $19 million worth of shoes and leather items.

Brazil Changes Beef Export Rules

In an effort to insure a larger supply of beef during the dry season known as entresafra (between harvests), Brazil's National Monetary Council has limited 1973 beef exports to the amount already licensed by CACEX, the customs Policy Council, and 1974 exports from Rio Grande do Sul to 90 percent of this year's level and those from central Brazil to 80 percent. Meat for domestic use may be kept on-the-hoof instead of frozen, as previously had been required.

Cattlemen had been reluctant to slaughter during the entresafra season because cattle often lose up to 10 percent in body weight, thereby reducing producer income.

No restrictions have been put on exports of donkey meat, however. Brazilian newspapers report that with the lengthening of runways at Salvador, soon to be completed, a DC-8 will make twice monthly flights to France and Germany with 5-ton cargoes of donkey meat. At present the problem faced by producers is the lack of adequate transport.

Other Foreign Agriculture Publications

- Record 1973 World Tea Crop Expected—World Trade Set a New Record in 1972 (FTEA-3-73)
- World Cigarette Output Gains 4.2 Percent in 1972 (FT-5-73)
- European Community Vegetable Oil Consumption, 1960-72 (FFO-17-73)
- August Exports of Raw Cotton Third Highest in 15 years (FC-23-73)

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FOREIGN AGRICULTURE

IRELAND'S LIVESTOCK INDUSTRY GROWTH TO UP GRAIN IMPORTS

Continued from page 7

expansion of cooperative organizations and pig "feedlots," and the virtual disappearance of the few odd pigs "running around the yard."

Results of a survey by Ireland's Central Statistics Office will be available soon, but recent unofficial estimates suggest that of Ireland's present annual production of 2.3 million hogs, as many as one-quarter million may be coming from only 28 cooperatives, a further quarter million from privately-owned units with places for 500-1,000 fatteners, and as many as a half million from units with 1,000 plus hogs each.

The situation will change when more large units are developed. One proposed unit will be based on U.S. fattening methods with a production aim of 112,000 hogs annually.

Sheep production is often regarded in Ireland as a troublesome sideline and presents more problems in an intensification program than beef because such a plan requires a higher degree of management skill. But systems recently demonstrated in Ireland, with support from the U.S. Feed Grains Council, show intensive fattening and breeding operations can offer returns of US$300 plus per acre, way higher than returns from beef.

Improvement of large areas of hill and marginal land for sheep feeding and research programs such as that demonstrating the advantages of higher winter feed levels for breeding stock will lead to increased sheep numbers.

Until a Common Agricultural Policy for sheep is introduced by the European Community, sheep ranchers hope present shortages of red meats will keep current lamb prices at attractive levels. And they are depending on greater exports to the EC to keep prices up in the future.

These increases in livestock numbers and milk production will greatly affect Ireland's feedgrain situation.

DURING 1972, Ireland produced just over 1.1 million metric tons of feedgrains, not including wheat, barley, and oats used for food, seed, or industrial purposes. Total grain disappearance for livestock feed, recently estimated by the Irish Department of Agriculture and Fisheries, totaled well over 1.4 million tons during calendar 1972, leaving a shortfall of over 300,000 tons.

It was further estimated in a study commissioned by the Irish Livestock and Meat Commission that grazing stock, including all cattle, sheep, and horses, will require 1.65 million tons, barley equivalent, or about 1.48 million tons of actual grain in concentrates by 1978.

And if the annual 3-million head hog-production level predicted by the Pigs and Bacon Commission, Ireland's central production-control and marketing organization, is reached by 1978, this would mean an increase of 700,000 head. To feed such a large number would require a 43-percent increase in annual feedgrain consumption by the pork industry—from about 600,000 tons to 860,000 tons.

The chances are poultry production will also continue to expand, requiring additional grain for feed. But discounting those projected requirements, and taking grain consumption at its present level of about 190,000 tons, a total 2.53 million metric tons of grain will be needed for livestock feed by 1978.

Despite this projected growth in feedgrain consumption, cereal production and area in Ireland has been declining and forecasts for 1973 indicate a further fall in acreage of nearly 11 percent. Smaller wheat plantings account for some of this drop, but barley, which now constitutes about 68 percent of Ireland's cereal acreage, may be reduced by as much as 8 percent.

It is unlikely cereal production will increase significantly in the near future, despite the strong guaranteed EC market for livestock products, because Irish conditions, particularly climatic ones, are so well suited to cattle production, largely on grass.

So, if feedgrain production remains at present levels of 1-1.1 million tons, there will be a gap of about 1.5 million tons of feedgrain to be filled by imports by 1978. This is nearly four times Ireland's present feedgrain intake and will bring total grain imports (not including rice) to about 1.7 million tons, nearly triple the calendar 1973 estimated total of 610,000 tons.

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